



**Chubb Group of Insurance Companies**  
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May 26, 2015

Attorney Marc E. Rohatiner  
Wolf, Rifkin, Shapiro, Schulman & Rabkin LLP  
11400 West Olympic Boulevard, Ninth Floor  
Los Angeles, CA 90064-1582

**Sent Via Electronic**

RE:   INSURED:                           Palisair Homeowners Association  
      INSURED CONTACT:               David Schultz  
      INSURED PHONE/EMAIL:         (310) 203-5325/dschultz@polsinelli.com  
      POLICY NO:                       8227-6754  
      CLAIM NO:                        353804  
      POLICY TYPE:                    Protection for Community Association Leaders  
      WRITING COMPANY:               Federal Insurance Company  
      SUBJECT:                         Chris & Marion Ball  
      DEDUCTIBLE:                     \$2500  
      DEFENSE ATTORNEY(S):         Attorney Marc Rohatiner  
      HOURLY RATES:                  \$295-Partner(s)/\$250-Associate(s)/\$100-Paralegal(s)  
      COUNSEL CODE:                  49/Non-panel Attorney

Dear Attorney Rohatiner:

Your firm has been retained to defend Palisair Homeowners Association and Board Members in the referenced matter subject to the Policy Deductible Amount, Limits of Liability and other Policy terms and conditions. Any defense fees, costs, etc., incurred within the deductible, will be the responsibility of the insured. Please confirm that you have made initial contact with the insured within 24 hours of assignment.

**Please return an executed copy of the attached Attorney Acknowledgement confirming your receipt and review of the information contained herein to the examiner.**

Upon your review of this matter, please contact me to discuss development of an appropriate defense strategy for this matter. After meeting with our insured and completing an initial investigation, but before taking any formal action, please contact me again to confirm strategy.

Additionally, please adhere to the attached Litigation Management Guidelines which set forth reporting and billing requirements, including, but not limited to, required information and documentation to be provided to the undersigned. Please ensure that all persons working on this matter have reviewed our Guidelines. Please note that we prefer to receive all future correspondence via email whenever possible.

Also, please make certain that your firm adheres to the following requirements:

- **Reference Claim No. 353804 on all correspondence;**
- In order to avoid any delay in processing payments of your firm's billing, please ensure that all invoices associated with the defense of this matter are submitted quarterly and electronically to Chubb's Litigation Cost Management Group, at [nonpanel@chubb.com](mailto:nonpanel@chubb.com). Please ensure your email contains in the subject line the claim number and Claim Examiner name. Please provide a copy of this letter to your billing department and request that they use the information on the caption of this letter in completing the header field information on the electronic invoice. If you have any questions in this regard, please contact the LCMG at 800-472-5219 or at [deductibletracking@chubb.com](mailto:deductibletracking@chubb.com).
- We have agreed that the case will be staffed by the professionals listed above at the rates listed above for the duration of the case.
- Charges for services by outside vendors, including contract attorneys, may be forwarded directly to the Chubb claim representative for payment. If external expenses are paid by the firm, the firm will be reimbursed at its actual cost. These expenses must be itemized and include (a) the name of the vendor, (b) the date incurred and (c) a specific description of the expense. Back-up documentation will be provided to Chubb upon request.
- Professional Services. Counsel will consult with the Chubb claim representative prior to incurring expenses for experts, consultants, investigators, temporary attorneys, outside paralegals, or other professional services. Please note this includes e-discovery requests and the Chubb E-Discovery Unit must be consulted to assist in the selection of vendors.
- Legal Research. Counsel will consult with Chubb Claim examiner for approval before conducting legal research.
- As to mediations, arbitrations and/or settlement conferences, we expect the examiner will be consulted on the scheduling of a specific date, as well as the mediator/arbitrator. Further, that a current risk assessment is to be provided no later than 30 days in advance of such events.

In certain cases, defense counsel will be required to assist us as the Insurer in complying with our federal reporting obligations under Section 111 of the Medicare, Medicaid & SCHIP Extension Act of 2007 ("Section 111", codified at 42 U.S.C. § 1395y(b)(8)). Section 111 requires liability, no-fault, and workers' compensation insurers (as these terms are defined by the Medicare regulations and including self-insured entities) to report to the federal government certain claims payments they make to Medicare-eligible individuals. If applicable, Defense counsel will be required to obtain from the claimant personal information necessary to determine or confirm the claimant's Medicare enrollment status. This obligation may entail incorporating specified questions into discovery requests and depositions and the use of specific settlement and release language that addresses Section 111 obligations.

Based upon the allegations raised in this matter, we do not believe the MMSEA obligations are applicable. Please advise if you disagree or if future developments would require us to re-evaluate this position.

We look forward to working closely with you in the defense of this matter. If you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,

*Sharon Chmielecki*

Sharon Chmielecki  
Claims Examiner  
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Fax: 860-408-2851  
E-mail: schmielecki@chubb.com

cc: David Schultz  
Polsinelli PC  
2049 Century Park East, Suite 2300  
Los Angeles, CA 90067

**Litigation Management Letter Acknowledgement**

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COUNSEL CODE: 49/Non-panel Attorney

I confirm that I received and reviewed the contents of this letter as well as the Litigation Management Guidelines and agree to adhere to the same.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_